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FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

January 30, 1934.

FOR CIRCULATION

Gov. Black ✓  
Mr. Hamlin ✓  
Mr. Miller ✓  
Mr. James ✓  
Mr. Thomas ✓  
Mr. Szymozak ✓  
Mr. O'Connor ✓  
Mr. Martin ✓

Honorable Eugene R. Black, Governor,  
Federal Reserve Board,  
Washington, D. C.

Dear Governor Black:

H. R. 6976, known as the "Gold Reserve Act of 1934" has now

passed both Houses and been signed by the President.

At all stages of the discussion of the subject covered by this legislation we have been constantly in touch with the legal questions involved and our views both as to the form the transaction should take and as to the legal questions involved have been reported from time to time to the Federal Reserve Board and to the Governors of the Federal reserve banks. Facing the practical question presented by the passage of the legislation we have been asked to advise whether voluntary compliance with the requirements of the Act as it affects the stock of gold owned or controlled by the Federal Reserve System is safe and wise.

We are of the opinion that the Federal Reserve Board, the Federal reserve banks and the Federal reserve agents can safely comply with the provisions of this legislation as finally enacted and that no reservation or protest is necessary to save whatever rights they have or to fulfill any duty imposed upon them by law, particular-

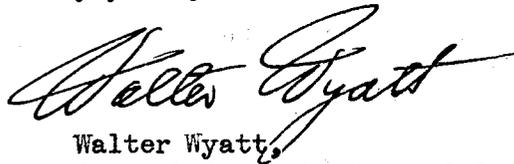
Please note -- check  
and return to  
Mr. Carpenter

Honorable Eugene R. Black - - 2

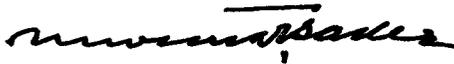
ly in view of the fact that the transactions are between them and the Government of the United States, which is ultimately responsible for the monetary policy of the Nation, for the payment of Federal reserve notes and for the credit and welfare of the Federal Reserve System established by it as an instrumentality for the performance of public functions.

We therefore answer both questions submitted to us in the affirmative.

Respectfully yours,



Walter Wyatt,  
General Counsel, Federal Reserve Board.



Newton D. Baker,  
Special Counsel for the Federal Reserve  
Board and the Federal Reserve System.